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Reuters May Buy United Press International

By JONATHAN FRIENDLY

Reuters, the London-based news agency, said Tuesday that it was "actively considering" buying United Press International from its American owners, the E. W. Scripps Company.

Officials of both Reuters and Scripps said, however, that no formal negotiations were under way and noted that Reuters was only one of several organizations to which U.P.I. had been offered. For more than two years, Scripps has been trying to either sell the news service outright or to find investors to pump new capital into the enterprise.

United Press International, the nation's second-largest news agency after The Associated Press, has been losing money consistently for more than a decade; its deficit last year was reported to be \$10 million.

Edward Estlow, president of the Cincinnati-based Scripps company, said its current efforts to find a buyer for U.P.I. were predicated on the desire to maintain a news agency capable of competing with The Associated Press.

Trying to Increase Rates

Mr. Estlow said yesterday that the news agency's losses this year had not been as heavy as last year. The company has been trying to increase its rates to newspapers and broadcast stations, undoing its past practice of under-bidding A.P. in the competition for clients.

No figures were available yesterday on how much money Scripps was asking for its news agency.

Reuters, which was founded in 1851 and is owned by four press associations representing the national and regional newspapers of Britain, Ireland, Australia and New Zealand, distributes a general news report in 138 countries, primarily in Europe, Africa and Asia. Reuters, with more than 2,700 employ-

ees in 183 cities around the world, had gross revenues last year of more than \$178 million.

Its greatest strength in the United States is its business and financial news service, which is mostly used by banks, investment houses and other business clients. Unlike United Press International, Reuters does not provide a picture service.

Responding to reports that have been circulating for the last two weeks that Reuters might buy United Press International, Michael E. Nelson, deputy managing director of Reuters, said in London that U.P.I. had "asked Reuters and several other international organizations if they are interested in buying them," and added, "We are actively considering it."